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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 19-87

May 13, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

EXPORT SALES

U.S. EXPORT SALES Continue Up. The following table compares accumulated exports and outstanding sales for similar periods in the 1985/86 and the 1986/87 marketing years as reported under FAS's Export Sales Reporting Program. Data for 1985/86 are as of May 1, 1986, while data for 1986/87 are as of April 30, 1987. Accumulated exports are commodities which have been sold and exported. Outstanding sales are commodities which have been sold but not yet exported.

The 1985/86 data for corn and grain sorghum have been adjusted to include shipments reported during the month of September, so a meaningful comparison can be made. Data are measured in thousand units (metric tons/bales).

| COMMODITY | YEAR BEGINNING | ACCUMULATED EXPORTS 85/86 | 86/87 | OUTSTANDING SALES 85/86 | 86/87 |
|---------------|-------------------|------------------------------|--------|----------------------------|-------|
| Wheat | June 1 | 21,110 | 22,605 | 2,219 | 2,670 |
| Corn | Sept. 1 | 26,420 | 24,676 | 2,661 | 8,504 |
| Grain Sorghum | Sept. 1 | 3,375 | 3,383 | 911 | 1,120 |
| Soybeans | Sept. 1 | 16,665 | 15,813 | 2,081 | 1,635 |
| Rice | Aug. 1 | 1,168 | 1,886 | 181 | 381 |
| Cotton | Aug. 1 | 1,627 | 4,825 | 293 | 1,669 |

GRAIN AND FEED

SOVIET Spring Seeding Continues To Lag Markedly. As of May 4, seeding of all spring crops was done on only 26.6 million hectares, according to the USSR Central Statistical Administration. More than twice this area was sown by this time last year. Protracted cold weather in European USSR has delayed sowing 2-3 weeks, and even more in some places. Of the 26.6 million hectares, 13.3 million were small grains and pulses. The comparable figure for these crops a year ago was 32.0 million, and the 1972-86 average area seeded by May 4 was 32.6 million hectares. At 13.3 million hectares, the 1987 figure for small grains and pulses is substantially smaller than that for any year since at least 1972.

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The Soviet review reports that as of May 4, corn-for-grain was planted on 941,000 hectares; sugar beets on 1.7 million hectares (51 percent of plan); and only 827,000 hectares of sunflowers (21 percent of plan). Last year, when spring was 10-12 days ahead of normal, corn was planted on 4.0 million hectares, sugar beets on 3.1 million, and sunflowers on 3.2 million hectares, as of May 5. While the 1986 corn planting figure was 1-2 million hectares greater than usual, sugarbeet and sunflower areas were about normal.

Exportable Supplies of ARGENTINE Corn Continue To Decline. The outlook for Argentine corn supplies during 1986/87 (Oct/Sept) continues to dim with Argentine government reports predicting a poor crop. Argentina is expected to export 5.8 million tons of corn, down 20 percent from 1985/86 and the lowest level since 1981/82 when 4.9 million tons were shipped. Trade sources report that nearly 5.0 million tons of corn have been sold with the USSR, China and Iran as the major customers. Since Argentina also normally ships large quantities of corn to Japan, Korea and the European Community--also major U.S. corn markets--the lack of Argentine corn this year may prompt these countries to make additional purchases of U.S. corn.

OILSEEDS

PHILIPPINES' Copra Production To Decrease in 1988. According to the U.S. agricultural counselor in Manila, Philippine copra production in 1988 is expected to decrease due to severe drought that began in 1986. Total production in 1988 is forecast at 1.9 million tons, a 17-percent decrease from this year's estimate of 2.3 million tons. The Bicol region in southeastern Luzon has been particularly dry. Areas in the eastern and western Visayas and the northwestern provinces of Mindanao are also beginning to suffer from the drought. Mindanao accounts for over one-half of total production. Most of the effects of dry weather will not be evident until late 1987; therefore, most of the loss in production will likely occur during 1988.

DAIRY, LIVESTOCK AND POULTRY

AUSTRALIAN Meat Production Prospects Reduced. According to the U.S. agricultural counselor in Canberra, Australia's 1987 meat production will fall short of earlier forecasts (WR 9-87). Continued dry weather in the northeast is expected to reduce cattle carcass weights. Beef production for 1987 is now forecast at 1.41 million tons, down 26,000 tons from the March estimate. Sheep meat is projected to be down 19,000 tons to 624,000 tons because of a 1-million-head reduction in expected slaughter due to high wool prices.

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JAPAN Lowers Meat Support Prices. As of April 1, Japan lowered producer support prices for Wagyu beef by 2.1 percent, Holstein beef by 6.4 percent and pork by 15.4 percent. This is the first time Wagyu support prices have been cut; in 1986, support prices for Holstein beef and pork were lowered by about half as much as this year. Because of import quotas on beef, these price reductions will not affect U.S. beef exports. However, lower pork prices may encourage demand, which could result in increased pork imports from the United States as well as other suppliers.

In addition to reducing support prices, Japan will reportedly lower its release prices for imported beef by about 10 percent (a similar step was taken in 1986). These release prices will still be an average 56 percent above import prices. The two above steps are designed to meet criticism that the benefits of the strong yen are not being passed along to Japanese consumers. But with beef supplies remaining limited, these reductions in support and release prices may be swallowed up as profits in the distribution system and may have little or no impact on beef retail prices.

SOVIET Meat Production Up; Growth in Animal Numbers Slows. Soviet meat production on state and collective farms for January through March was up 8 percent, according to a report by the U.S. agricultural counselor in Moscow. The 8-percent increase represents an acceleration from January-February when the increase was reported at 6 percent. Production data for different types of meat were not released. Milk production was reported up 6 percent with all of the increase due to more output per cow. Output of eggs was up 2 percent due to an increase in hen numbers.

Animal numbers continued to be reported at or near record levels for April 1; however, there are some indications that the rate of increase may have slowed. April 1 cattle numbers on state and collective farms were reported at 97.6 million head, only 0.6 million above 1986. Cow numbers were 29.0 million, down 0.2 million. The February 1-April 1 buildup in cattle numbers is the slowest in the 1980's. April 1 hog numbers were 59.6 million head, 0.8 million head above 1986. During the 1980's hog numbers have typically declined between February 1 and April 1; this year was no exception and the decline was larger than normal. Poultry numbers on April 1 were slightly below year-earlier levels.

PERU'S Poultry Production Off Due to Disease. Despite Peru's expectations of sharp increases in its broiler and egg production in 1987, a severe outbreak of poultry typhoid (*salmonella gallinarum*) has caused monthly output of hatching eggs to drop over 10 percent while output of commercial table eggs may decline 20 percent. Eradication of the disease is expected to be both lengthy and difficult. To relieve the situation, the government has recently authorized duty-free imports of hatching eggs and baby chicks through July and August, respectively. Further, 4,000 tons of imported poultry meat have been released from government stocks in an attempt to limit price increases.

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FRUITS

AUSTRALIAN Citrus Production Forecast Lowered. The U.S. agricultural counselor in Canberra reports that the 1987/88 Australian citrus crop now being harvested is projected at 613,000 tons, down 4 percent or 24,000 tons from last year's record crop. Orange production is projected down 11,000 tons to 508,000 tons. Tangerine production is forecast down 3 percent to 31,000 tons, lemons down 15 percent to 40,000 tons, and grapefruit down 13 percent to 34,000 tons. Orange yields this year are not expected to reach last year's record level, and low profits on citrus for juice (about 60 percent of production) have slowed new plantings. Young tree numbers remain at 1986 levels; from 1985 to 1986 young (nonbearing) tree numbers were down 10 percent.

WOOD AND WOOD PRODUCTS

Forestry Production in CANADA'S British Columbia at Record Level. Forest industry production in British Columbia hit a new high during 1986, despite a four and one-half month strike by the woodworkers union that shut down over 50 percent of the production capacity, according to the American Consulate General in British Columbia. Forest companies in that province harvested a record 77.5 million cubic meters (CUM) of wood, marginally above the 1985 volume of 76.8 CUM and approximately 42 percent of the total Canadian harvest. Sawmill output was off slightly at 31.5 million CUM compared with the 1985 record of 33 million CUM. British Columbia dominates in Canada's production of softwood lumber with an annual share of 50 to 60 percent of the country total.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of May 8, 1987, was as follows in metric tons:

| ANNOUNCED INITIATIVES | DATE ANNOUNCED | QUANTITY/RESULTS |
|-----------------------------------|----------------|-----------------------------------|
| 67. Soviet Union wheat | Apr. 30, '87 | 4,000,000 |
| 66. Turkey rice | Apr. 3, '87 | 70,000 |
| 65. Colombia barley malt | Apr. 3, '87 | 15,000 |
| 64. Iraq table eggs | Feb. 20, '87 | 189 million eggs |
| 63. Canary Islands poultry | Feb. 9, '87 | 5,000 Sold 4,000 |
| 62. Nigeria wheat | Jan. 28, '87 | 500,000 |
| 61. China wheat | Jan. 26, '87 | 1,000,000 COMPLETE |
| 60. Iraq wheat | Jan. 16, '87 | 800,000 Sold 440,000 |
| 59. Switzerland barley or sorghum | Jan. 16, '87 | 250,000 Sold 9,000 |
| 58. Poland wheat | Jan. 7, '87 | 500,000 COMPLETE |
| 57. Poland barley or sorghum | Dec. 31, '86 | 200,000 Sold 137,000 |
| 56. Romania wheat | Dec. 23, '86 | 250,000 |
| 55. Iraq poultry | Dec. 22, '86 | 60,000 Sold 25,000 |
| 54. Dominican Republic table eggs | Dec. 9, '86 | 25 million Sold 11.1 million eggs |

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

| | | | | |
|-----|--|---------------|--------------------|--------------|
| 53. | Zanzibar wheat flour | Dec. 9, '86 | 20,000 | |
| 52. | Tunisia barley | Dec. 1, '86 | 150,000 | |
| 51. | Gulf countries (Bahrain Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle | Oct. 30, '86 | 1,500 head | Sold 740 |
| 50. | West Africa (Cameroon Cote d'Ivoire, Ghana, Togo) wheat | Oct. 30, '86 | 345,000 | Sold 79,500 |
| 49. | Dominican Republic poultry | Oct. 29, '86 | 1,500 | Sold 1,133 |
| 48. | Philippines barley malt | Oct. 20, '86 | 60,000 | Sold 25,000 |
| 47. | Cameroon wheat flour | Oct. 14, '86 | 20,000 | |
| 46. | Romania barley | Sept. 24, '86 | 200,000 | Sold 125,000 |
| 45. | Venezuela barley malt | Sept. 4, '86 | 100,000 | |
| 44. | Cyprus barley | Aug. 26, '86 | 150,000 | Sold 108,000 |
| 43. | Canary Islands wheat | Aug. 8, '86 | 100,000 | |
| 42. | Egypt semolina | Aug. 6, '86 | 30,000 | Sold 23,000 |
| 41. | Soviet Union wheat | Aug. 1, '86 | 4,000,000 | EXPIRED |
| 40. | Canary Is. dairy cattle | July 28, '86 | 3,000 head | COMPLETE |
| 39. | Hong Kong table eggs | July 28, '86 | 44 million eggs | COMPLETE |
| 38. | Senegal wheat | July 17, '86 | 100,000 | COMPLETE |
| 37. | India vegetable oil | July 8, '86 | 25,000 | COMPLETE |
| 36. | Jordan barley | June 17, '86 | 60,000 | |
| 35. | Israel barley | June 17, '86 | 200,000 | Sold 66,682 |
| 34. | Tunisia dairy cattle | May 29, '86 | 4,000 head | COMPLETE |
| 33. | Algeria dairy cattle | May 29, '86 | 5,000 head | COMPLETE |
| 32. | Sri Lanka wheat | May 16, '86 | 125,000 | COMPLETE |
| | | March 5, '87 | 95,000 | Sold 85,000 |
| 31. | Saudi Arabia barley | May 7, '86 | 500,000 | COMPLETE |
| | | Aug. 6, '86 | 250,000 | COMPLETE |
| | | Sept. 16, '86 | 300,000 | COMPLETE |
| | | Oct. 8, '86 | 200,000 | COMPLETE |
| | | | | (201,000) |
| | | Jan. 5, '87 | 1,250,000 | COMPLETE |
| 30. | Algeria barley | Apr. 17, '86 | 500,000 | |
| 29. | Morocco dairy cattle | Apr. 16, '86 | 4,000 head | COMPLETE |
| 28. | Turkey dairy cattle | Apr. 16, '86 | 5,000 head | COMPLETE |
| 27. | Egypt dairy cattle | Apr. 16, '86 | 6,000 head | COMPLETE |
| | | Sept. 12, '86 | 10,000 head | Sold 2,801 |
| 26. | Yemen poultry feed | Apr. 14, '86 | 150,000 | Sold 7,000 |
| 25. | Yugoslavia wheat | Apr. 10, '86 | 200,000 | COMPLETE |
| | | June 24, '86 | 200,000 | COMPLETE |
| | | Oct. 7, '86 | 500,000 | Sold 143,050 |
| 24. | Indonesia dairy cattle | Apr. 9, '86 | 7,500 head | COMPLETE |
| 23. | Syria wheat | Apr. 8, '86 | 700,000 | CANCELED |
| 22. | Benin wheat | Apr. 7, '86 | 45,000 | Sold 30,000 |

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

| | | | |
|-----------------------------|---------------|------------------|-----------------------|
| 21. Algeria table eggs | Apr. 4, '86 | 500 million eggs | |
| 20. Iraq dairy cattle | Apr. 4, '86 | 6,500 head | Sold 890 |
| 19. Jordan wheat | Mar. 19, '86 | 75,000 | COMPLETE |
| | June 20, '86 | 75,000 | COMPLETE |
| | Dec. 31, '86 | 225,000 | COMPLETE |
| 18. Tunisia wheat | Mar. 18, '86 | 300,000 | COMPLETE |
| | Aug. 22, '86 | 800,000 | Sold 250,000 |
| 17. Algeria wheat flour | Feb. 25, '86 | 100,000 | |
| 16. Algeria semolina | Feb. 11, '86 | 250,000 | Sold 30,000 |
| 15. Philippines wheat | Jan. 7, '86 | 150,000 | COMPLETE (152,400) |
| 14. Zaire wheat | Dec. 27, '85 | 35,000 | COMPLETE |
| | May 15, '86 | 45,000 | COMPLETE |
| | Oct. 17, '86 | 40,000 | Sold 33,000 |
| 13. Nigeria barley malt | Dec. 10, '85 | 100,000 | Sold 23,700 |
| 12. Iraq wheat flour | Dec. 9, '85 | 150,000 | COMPLETE |
| | Jan. 7, '87 | 175,000 | Sold 25,000 |
| 11. Egypt poultry | Nov. 26, '85 | 8,000 | COMPLETE |
| | Mar. 21, '86 | 15,000 | COMPLETE |
| | June 18, '86 | 5,000 | COMPLETE |
| | July 8, '86 | 15,000 | COMPLETE |
| | Dec. 19, '86 | 25,000 | Sold 12,500 |
| | Feb. 27, '87 | 6,000 | |
| 10. Zaire wheat flour | Nov. 18, '85 | 64,000 | COMPLETE |
| | May 15, '86 | 30,000 | Sold 15,000 |
| 9. Philippines wheat flour | Nov. 15, '85 | 100,000 | Sold 50,000 |
| 8. Jordan rice | Nov. 8, '85 | 40,000 | Sold 38,700 |
| | Jan. 13, '87 | 60,000 | |
| 7. Turkey wheat | Oct. 16, '85 | 500,000 | COMPLETE (506,600) |
| | May 8, '86 | 500,000 | Sold 248,000 |
| 6. Morocco wheat | Sept. 30, '85 | 1,500,000 | COMPLETE |
| | Dec. 9, '86 | 790,000 | Sold 260,000 |
| 5. Yemen wheat | Sept. 6, '85 | 100,000 | COMPLETE |
| | Jan. 26, '87 | 100,000 | Sold 25,000 |
| 4. Yemen wheat flour | Aug. 20, '85 | 50,000 | COMPLETE |
| | Apr. 14, '86 | 100,000 | COMPLETE |
| 3. Egypt wheat | July 26, '85 | 500,000 | COMPLETE |
| | Oct. 30, '85 | 500,000 | COMPLETE (512,500) |
| | June 24, '86 | 500,000 | COMPLETE |
| | July 29, '86 | 52,000 | Sold 29,000 |
| | Oct. 8, '86 | 1,000,000 | Sold 406,000 |
| 2. Egypt wheat flour | July 2, '85 | 600,000 | COMPLETE |
| | Aug. 6, '86 | 600,000 | |
| 1. Algeria wheat (ex durum) | June 4, '85 | 1,000,000 | COMPLETE |
| wheat (ex durum) | Apr. 10, '86 | 1,000,000 | Sold 354,000 |
| durum | Nov. 10, '86 | 300,000 | COMPLETE |
| durum | Mar. 16, '87 | 300,000 | Sold 236,000 |

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EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced as of May 8, 1987

| | |
|-------------------|--|
| Announced to Date | 27,178,680 tons grains and products (grain equivalent) |
| | 758 million table eggs |
| | 140,500 tons frozen poultry |
| | 52,500 head dairy cattle |
| | 25,000 tons vegetable oil |

| | |
|--------------|--|
| Sold to Date | 10,570,059 tons wheat |
| | 1,446,876 tons flour (grain equivalent) |
| | 2,840,682 tons barley |
| | 72,610 tons semolina (grain equivalent) |
| | 64,932 tons barley malt (grain equivalent) |
| | 106,000 tons sorghum |
| | 38,700 tons rice |
| | 7,000 tons poultry feed |
| | 25,000 tons vegetable oil |
| | 82,633 tons frozen poultry |
| | 38,756 head dairy cattle |
| | 54,572,004 table eggs |

| | |
|-----------------------------|-------------------|
| Total Sales Value: | \$1,462.6 million |
| Estimated Bonus Book Value: | \$968.6 million |
| Market Value of Awards: | \$676.6 million |

TARGETED EXPORT PROMOTION PROGRAM

No announcements were made under the Targeted Export Assistance Program this week.

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UNITED STATES DEPARTMENT OF AGRICULTURE

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Selected International Prices

| Item | : | May 12, 1987 | : | Change from | : | A year |
|---|---|--------------|---|-------------|---|------------------|
| | : | | : | a week ago | : | ago |
| ROTTERDAM PRICES 1/ | | | | | | |
| | | \$ per MT | | \$ per bu. | | \$ per MT |
| Wheat: | | | | | | |
| Canadian No. 1 CWRS-13.5%. | | 156.50 | | 4.26 | | +11.00 N.Q. |
| U.S. No. 2 DNS/NS: 14%.... | | 146.00 | | 3.97 | | +7.50 167.50 |
| U.S. No. 2 S.R.W. | | 143.00 | | 3.89 | | +9.00 127.00 |
| No. 3 H.A.D..... | | 170.00 | | 4.63 | | +17.60 172.00 |
| Canadian No. 1 A: Durum10/ | | 163.50 | | 4.45 | | -2.50 N.Q. |
| Feed grains: | | | | | | |
| U.S. No. 3 Yellow Corn.... | | 98.00 | | 2.49 | | +5.00 115.00 |
| Soybeans and meal: | | | | | | |
| U.S. No. 2 Yellow..... | | N.Q. | | -- | | -- 214.80 |
| Brazil 47/48% Soya Pellets | | 206.00 | | -- | | +10.00 194.00 |
| U.S. 44% Soybean Meal..10/ | | 210.00 | | -- | | +17.00 187.00 |
| U.S. FARM PRICES 3/ | | | | | | |
| Wheat..... | | 102.50 | | 2.79 | | +5.51 121.98 |
| Barley..... | | 70.73 | | 1.54 | | +5.05 59.71 |
| Corn..... | | 67.32 | | 1.71 | | +2.76 92.13 |
| Sorghum..... | | 59.97 | | 2.72 2/ | | +2.43 88.62 |
| Broilers.....1,180.78 | | -- | | -- | | +134.04 1,137.13 |
| EC IMPORT LEVIES | | | | | | |
| Wheat 5/..... | | 234.55 | | 6.38 | | -2.10 175.15 |
| Barley..... | | 228.55 | | 4.98 | | -1.80 166.05 |
| Corn..... | | 210.40 | | 5.34 | | -6.55 153.60 |
| Sorghum..... | | 217.95 | | 5.54 | | -6.50 160.95 |
| Broilers 4/ 6/ 8/..... | | 519.00 | | -- | | -2.00 348.00 |
| EC INTERVENTION PRICES 7/ 9/ | | | | | | |
| Common wheat(feed quality) | | 223.38 | | 6.08 | | -3.02 199.75 |
| Bread wheat (min. quality) | | 233.80 | | 6.36 | | -3.05 212.15 |
| Maize..... | | 233.80 | | 5.94 | | -3.15 199.15 |
| Barley and all other feed grains, excluding maize. | | 223.38 | | -- | | -3.02 199.75 |
| Broilers 4/ 6/.....1,589.00 | | -- | | -- | | -15.00 1,431.00 |
| EC EXPORT RESTITUTIONS (subsidies) | | | | | | |
| Wheat | | N.A. | | -- | | -- N.A. |
| Barley..... | | 160.70 | | 3.50 | | -2.15 127.85 |
| Broilers 4/ 6/ 8/..... | | 428.00 | | -- | | -1.00 256.00 |

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ May shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis June delivery.